



**Ninety-Seventh Legislature - First Session - 2001**  
**Committee Statement**  
**LB 468**

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**Hearing Date:** February 8, 2001

**Committee On:** Health and Human Services

**Introducers:** (Suttle, Aguilar)

**Title:** Adopt the Nursing Scholarship Act, the Nursing Incentive to Practice Act, the Nursing Student Loan Act, and the Nursing Loan Repayment Act

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**Roll Call Vote – Final Committee Action:**

- X   Advanced to General File
  - Advanced to General File with Amendments
  - Indefinitely Postponed
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**Vote Results:**

- |                         |  |
|-------------------------|--|
| 5   Yes                 | Senator Byars, Suttle, Price, Cunningham and Maxwell |
| No                      |  |
| 2   Present, not voting | Senator Jensen and Erdman                            |
| Absent                  |  |
- 

**Proponents:**

Senator Deb Suttle  
Nancy Gondringer  
Joni Cover

Thomas O'Neil

Jane Elliot

Jennifer Harre

**Representing:**

Introducer  
Nebraska Nurses Association  
Nebraska Association of Hospitals and Health  
Systems  
Association of Independent Colleges and  
Universities of Nebraska  
Nebraska Health Care Association & Nebraska  
Assisted Living Association  
Self

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:** The bill adopts four separate acts related to the practice of nursing: (1) the Nursing Scholarship Act, (2) the Nursing Incentive to Practice Act, (3) the Nursing Student Loan Act, and (4) the Nursing Loan Repayment Act.

The Nursing Scholarship Act (sections 1-4)

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The Nursing Scholarship Act defines "approved nursing program," "department" (Department of Health and Human Services Regulation and Licensure), "nontraditional student," and "practice of nursing."

The act requires the department to administer a nursing scholarship program, with at least \$1,000 allocated to each institution with an approved nursing program, with funds distributed to provide for the greatest increase in nursing students. The act states legislative intent to make funds available for at least 100 new students in each academic year, with no more than \$1,000 per student per academic year nor a total of more than \$2,000. At least 50% of the funds going to nontraditional or ethnic minority students.

The act provides selection criteria for the awarding of scholarships and requires scholarship recipients to agree to practice nursing in Nebraska for one year for each year a scholarship is received.

The act requires approved nursing programs to recommend students to the department for scholarships, limits each scholarship to one year, and requires that scholarships be used only for educational expenses. Scholarship funds must be repaid if the recipient discontinues their attendance in the approved nursing program. The department is required to adopt and promulgate rules and regulations to carry out the act.

#### The Nursing Incentive to Practice Act (sections 5-8)

The act defines "department," "full-time practice of nursing," and "practice of nursing." The act requires the department to administer a state nursing incentive program, to provide, beginning January 1, 2001, \$1,000 per year for up to two years for qualified nurses to practice nursing in the state. The act states legislative intent that such incentive payments be made available for 100 nurses per year.

Recipients may not have practiced in the state within the preceding five years, must be currently licensed to practice in the state, must apply by December 1 of the year preceding the year of their practice in the state, engage in full-time nursing practice for a year, and will then receive the incentive the following January. If there are insufficient funds for all eligible applicants, selection is based on the greatest need for nurses in a particular area of the state. Selection criteria may include the age and health status of the population in the area, the number and size of nursing employers in the area, the population of the area, and a demonstrated need for nurses in the area. The department is required to adopt and promulgate rules and regulations to carry out the act.

#### The Nursing Student Loan Act (sections 9-16)

The purpose of the act is to establish a student loan program, a community loan repayment program, and appropriation by the Legislature for student loans for nursing students. The act defines "approved nursing program," "department," and "full-time practice."

The act creates the Nursing Student Loan Pool Fund, to be administered by the department for loans to nursing students, and requires the department to report annually to the Governor and the Legislature on the use of the fund.

To be eligible, students must be enrolled in an approved nursing program, consideration is given to student motivation and other factors, and students must satisfactorily complete the

approved nursing program and sign an agreement with the department to repay the loan under terms provided in section 14 (b) – (g) of the bill.

The act requires the department to develop and implement a community loan repayment program, by which a community or communities can enter into an agreement with the department and a nursing student to assume repayment of the student's loan, contingent upon the student's continued practice of nursing in such community or communities. The department is required to adopt and promulgate rules and regulations to carry out the act.

#### The Nursing Loan Repayment Act (sections 17-26)

The purpose of the act is to establish a loan repayment program that requires community matching funds for financial incentives to eligible nurses who agree to practice in the state. The act defines "department," "full-time practice," "nurse," and "qualified educational debts."

The act provides state general funds for the repayment of qualified educational debts owed by nurses, and creates the Nursing Loan Repayment Fund.

To be eligible for such repayment funds, an applicant must be a licensed or certified nurse currently practicing in the state. The amount of such assistance is limited to \$5,000 per recipient per year if engaged in full-time practice, and a total of no more than \$15,000 per recipient.

The act requires the execution of an agreement by the recipient with the department and a local entity. The terms of such agreement are provided in section 24 of the bill, including equal funding by the state and the local entity for the repayment of the recipient's qualified educational debts. The department is required to develop guidelines for local entities to participate in the loan repayment program and to adopt and promulgate rules and regulations to carry out the act.

#### **Explanation of amendments, if any:**

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**Senator Jim Jensen, Chairperson**